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Economic Contribution to OCB Pilot-Study
of Soviet Bloc-Moroccan Relations

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1. Moroccan trade with the Sino-Soviet Bloc accounts for a relatively small percentage of Morocco's total trade. In 1956 trade with the Bloc was 3.7 percent of its total foreign trade. Exports to the Bloc amounted to \$4.7 million or 1.4 percent of total exports, while imports totalled \$24.5 million or 5.5 percent of total imports. During the first six months of 1957 trade turnover continued at about the same rate. During this period Moroccan exports to the Bloc totalled \$4.7 million or 2.6 percent of total exports, while imports from the Bloc amounted to \$10.9 million or 5.0 percent of total imports.

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2. Communist China, with its large exports of green tea, accounted for 63 percent of Bloc trade with Morocco. In the past Moroccan purchases of tea from Communist China, amounting to about \$19 million annually, have provided Communist China with sizeable franc earnings. Morocco's exports to Communist China have been negligible. The new trade agreement calls for balanced trade between the two countries, but it seems unlikely that Morocco will expand significantly its exports to Communist China.

3. New trade agreements concluded by Morocco with Bloc countries call for an expansion in trade. Since gaining independence in March 1956 Morocco has concluded agreements with six Bloc countries--the USSR, Bulgaria, Czechoslovakia, Communist China, Hungary and Poland. The Bloc's increasing emphasis on trade with Morocco is exemplified by visits to Morocco of various trade missions. The USSR has sent several trade delegations to contact government economic officials and local businessmen on the implementation of the Moroccan-Soviet trade agreement. Several of the Bloc countries have presented impressive exhibits at the trade fair held in Casablanca.

4. Although general offers of economic assistance have been made to Morocco by the Bloc--the most recent was reported in December 1957--none of these offers have been accepted. The Soviets have offered a large number of scholarships in technical fields to Moroccan students, two of which have been accepted. It is possible that educational exchange programs with other Bloc countries will be instituted.

Economic Contribution to OCB Pilot-Study
of Soviet Bloc-Tunisian Relations

1. Tunisian trade with the Sino-Soviet Bloc has been relatively insignificant. In 1956 trade with the Bloc accounted for only 1 percent of total trade. Tunisian exports during this period were \$1.9 million or a little less than 2 percent of total exports, while imports were \$1.1 million or a little over one half percent. While the level of trade was low, the 1956 figures were nearly 45 percent higher than in 1955. Trade figures for the first quarter of 1957 show an increase over the same period in 1956. In January-March 1957 Tunisian exports to the Bloc totalled \$756,000 or 1.9 percent of total exports as compared to \$535,000 or 1.4 percent of total exports during the comparable 1956 period. Imports from the Bloc in January-March 1957 amounted to \$787,000 or 1.6 percent of total imports as compared to \$418,000 or 0.7 percent of total imports in January-March 1956.

2. As in the case of Morocco, Tunisia, since its independence, has signed a number of trade agreements with Bloc countries. Agreements with the USSR, Bulgaria, Czechoslovakia, Hungary and Poland call for an expansion in trade. The Bloc has employed trade exhibits at the Tunis International Trade Fairs to advertise their products. Moreover, the Director of the Czechoslovak pavilion at the 1957 Fair announced that Czechoslovakia was prepared to become a supplier of industrial installations and investment in Tunisia.

3. During the arms crisis in Tunisia in the fall of 1957, Czechoslovakia indicated its willingness to study any requests for arms. Although the offer was not accepted, the threat of Bloc arms was a factor in the crisis. General offers of economic assistance have been made to Tunisia by the Bloc, but none of these have been accepted. Tunisia's need for foreign aid and the uncertainty regarding French financial assistance, however, may increase Tunisia's receptivity to Bloc offers.

Economic Contribution to OCB Pilot-Study
of Soviet Bloc-Algerian Relations

1. Algerian trade with the Sino-Soviet Bloc accounts for a small percentage of its total foreign trade. Trade with the Bloc in the first half of 1957, although showing an increase over the first half of 1956, was less than 1 percent of Algeria's total trade. Algerian exports to the Bloc during January-June 1957 totalled \$2.5 million (1.1 percent of total exports) compared to \$2.2 million (1 percent of total exports) during the comparable 1956 period. Imports from the Bloc during January-June 1957 amounted to \$3.8 million (0.7 percent of total imports) compared to \$1.7 million (0.5 percent of total imports) during January-June 1956.

2. Reports of Bloc aid to the Algerian Nationalists have been difficult to substantiate, although it is possible that some arms and equipment have been provided, probably through Egypt.